SUMMARY

Legislation sponsored by the State Treasurer's Office [AB 779 (Torlakson), Ch. 914 of Statutes of 2000] authorized the creation of a financial assistance program to assist cities and counties in their community planning and development efforts. In response to this legislation, the California Pollution Control Financing Authority (CPCFA) implemented the Sustainable Communities Grant and Loan Program.

The initial legislation authorized up to $2.5 million in grant and loan funding for developing and implementing policies, programs and projects ("Projects") that: reduce pollution hazards and the degradation of the environment; assist in the revitalization of one or more California neighborhoods that suffer from high unemployment levels, low-income levels and/or high poverty; and/or promote Infill Development. In order to assist communities to meet these strategic objectives consistent with sustainable development principles, CPCFA staff designed a program that provides maximum assistance per awardee of up to $500,000 consisting of up to $350,000 in grant funding and up to $150,000 in loan assistance.

In response to demand for the program, on August 30, 2002 the Legislature passed Senate Bill 199 (Torlakson), which increased the total potential funding by $2.5 million (to $5 million).). SB 199 was chaptered on September 28, 2002. The Authority approved $4,161,558 of funding for a total of fourteen projects.

In 2006 the Legislature passed Senate Bill 1341 (Committee on Environmental Safety and Toxic Materials), which increased the total potential funding by $2.5 million (to $7.5 million) and extended the operation of the program to January 1, 2012. The Authority anticipates soliciting additional proposals and awarding further funding in 2007.

PREPARING FOR GROWTH IN CALIFORNIA

During the next 20 years, California will add more than five million new jobs. This economic growth will be accompanied by more than 12 million new residents, over four million new households, and upwards of two million new schoolchildren. The projected growth of the next 20 years will equal that experienced in the boom years of the 1950s, 1960s, and 1970's combined. The challenge for many communities is not whether they are going to grow, but rather, how they are going to grow.

ACHIEVING SUSTAINABLE DEVELOPMENT

The sheer magnitude of the State's job and population increases will require that growth be accommodated in more thoughtful ways within the existing urban fabric and within existing rural communities to ensure sustainable development. Sustainable development, as envisioned by this program, accomplishes the following objectives:

- Develops and implements policies, programs and projects that reduce pollution hazards and the degradation of the environment;
- Promotes Infill Development. Infill Development means development or redevelopment of unused, underutilized, or existing properties within

established urban and/or rural neighborhoods or communities, where those neighborhoods or communities are already served with streets, water, sewer and other public services;

- Promotes economic development within communities/neighborhoods suffering from high unemployment levels, low-income levels and/or high poverty;
- Promotes land use and policies, programs and projects that support alternative transportation options;
- Ensures a proper mix of business and housing, including affordable housing, in communities and neighborhoods;
- Balances job growth with new housing;
- Encourages communities centered around civic spaces;
- Ensures more efficient, well-planned higher density use of land; and
- Protects environmental resources.

PROGRAM DESCRIPTION

The SCGL program has been designed to be flexible and encourage creativity. Funding will be awarded to communities that wish to implement policies, programs and projects using sustainable development principles. All Projects must encompass sustainable development principles to be eligible for funding. Examples of eligible Projects include:

- Specific plans, or portions of specific plans that direct the nature of development and revitalization within the boundaries of a required general plan consistent with sustainable development principles.
- Alternative transportation studies, urban design studies, finance plans, redevelopment plans and engineering studies that facilitate sustainable development.
- Projects such as a community center, park enhancements, or infrastructure improvements that are key elements of a comprehensive community or neighborhood sustainable development plan.
- Funding for local communities to hire individuals at various stages of planning depending on the needs of the community. An example would be hiring a new staff member or consultant to assist an individual community with the design and/or implementation of a particular plan for development or revitalization using sustainable development principles.
- Funding for communities to hire technical experts to identify, assess, and complete applications for state, federal and private economic assistance programs that fund sustainable development and sound environmental policies and programs.

Rather than focus on one prescriptive approach to realize sustainable development objectives, SCGL is designed to provide funding for programs, policies and projects that will best result in achieving the sustainable development goals of the program.

I.   APPLICANT ELIGIBILITY

The Applicant must be one or more California cities, counties, or city and county (the Applicant may partner with a public entity including, but not limited to, a redevelopment agency or joint powers authority). Applicants may submit only one Application for program funds.

II. PROJECT ELIGIBILITY

In order to qualify for the program a Project proposal must identify that:

A.   The Project will assist the Applicant in the development and implementation of policies, programs and projects that reduce pollution hazards and the degradation of the environment within existing neighborhoods/communities.

AND/OR

B.   The Project will assist one or more California neighborhoods that are Economically Distressed. Economically Distressed means:
- High unemployment levels,
- Low-income levels, and/or
- High poverty.

AND/OR

C.   The Project will promote Infill Development.

III. FUNDING PROGRAM DETAILS

1) **Maximum Funding Amounts.** CPCFA will provide up to $2.5 million in total assistance. Maximum assistance for each Applicant may be up to $500,000 consisting of up to $350,000 in grant funding and up to $150,000 in Loan assistance

2) **Loan Terms.** Loans may be for up to a five-year term from the date of issuance and bear a 0% interest rate. Full repayment of Loans will be due at maturity with no prepayment penalties.

3) **Application Deadline.** It is anticipated that there will be one round of project funding with applications due to the CPCFA on July 16, 2007, by 4:00 p.m.

4) **Eligible Costs.** Funding requests must be for identified Project costs per a budget submitted with the application. Only Eligible Costs of approved Projects will receive funding. By way of example, Eligible Costs may include, but may not be limited to costs associated with any of the following:

- The planning and implementation processes for programs, plans and projects (e.g., general plans, or portions thereof; specific plans, or portions

thereof; alternative transportation studies; finance plans; redevelopment plans; engineering studies; the hiring of consultants to assist in the planning process; or similar type expenses).

- Costs associated with funding projects such as a community center, park enhancements, or infrastructure improvements that are key elements of a comprehensive community or neighborhood sustainable development plan.
- Costs associated with facilitating public involvement related to developing policies, programs and projects.
- Costs associated with hiring technical experts to identify, assess, and complete applications for state, federal and private economic assistance programs that fund sustainable development and sound environmental policies and programs.
- Travel, telephone, postage and similar administrative expenses directly related to the Project.
- Staff time (including staff training expenses) directly related to the Project.

- **Ineligible Costs.** Funds from this program may not be used for expenses associated with:
  - Work completed prior to funding.
  - Replacement of funding for existing staff positions.

IV. PROJECT SELECTION PROCESS

1) First Priority shall be given to applicants that establish a case that there exists a Lack of Resources to develop and implement sustainable development policies, programs and projects. "Lack of Resources" means that Alternative Funding Sources are unavailable to fund all, or a portion, of the Project for which CSGL funds are being sought.

2) Once CPCFA staff has determined which applications meet the First Priority threshold, those applications will then be screened to determine:
   - Applicant eligibility, and
   - Project eligibility.

3) Applications designated as First Priority and determined to meet the eligibility criteria will then be evaluated per the criteria in Section V. below and ranked on a competitive basis by CPCFA staff. CPCFA may include additional outside reviewers to assist with scoring Applications. Projects must receive a minimum score of 70% (105 points) to receive funding. Those Projects that receive a score of less than 70% will be ineligible to receive any funding.

4) Applications not designated as First Priority will be screened and evaluated only after Applications that satisfy the First Priority designation are evaluated, and CPCFA staff's funding recommendations to the CPCFA board for First Priority Applicants do not exceed the maximum funding availability for the program. If additional funding is available, the remaining Applications will be screened to determine Applicant and Project eligibility and will be evaluated as described in 3 above.

Projects must receive a minimum score of 70% (105 points) to receive funding. Those Projects that receive a score of less than 70% will be ineligible to receive any funding.

V.   PROJECT EVALUATION PROCESS

Each application will be evaluated and scored based on how well the Project:

- Promotes Sustainable Development—75 points (50% of Score)
- Contributes to Economic Development within Economically Distressed Communities—30 points (20% of Score)
- Incorporates Creative Approaches—15 points (10% of Score)
- Demonstrates Likelihood that the Project's Expected Outcome(s) Will Be Implemented—15 points (10% of Score)
- Demonstrates Applicability to other Communities—15 points (10% of Score)

VI.   PROJECT APPROVAL PROCESS

1) CPCFA staff will evaluate and score applications received. CPCFA may include additional outside reviewers to assist with scoring Applications. The scores will be provided to the Executive Director. The Executive Director will determine which Projects to recommend to the CPCFA Board for funding based on CPCFA staff's review.

2) Funding recommendations will be heard at the CPCFA's **October 23, 2007** meeting for approval. By **November 5, 2007** each successful Applicant approved by the CPCFA Board will be notified in writing of its final funding amount.

VII. RELEASE OF FUNDS

Funds will be released on a reimbursement basis (or the Applicant must show proof of pending expenditure to receive funds on a prospective basis).

VIII. PROJECT COMPLETION

Recipients must complete Projects within three years of execution of a Loan Agreement and/or Grant Agreement, except in cases where the recipient demonstrates to the satisfaction of the CPCFA extraordinary circumstances that prevent the recipient from meeting this requirement. Recipients shall certify to the CPCFA when the Project is complete and provide a final report.

IX. REPORTS TO THE CPCFA

Each Borrower or Grantee must provide a quarterly report describing work progress to date. The Borrower or Grantee also must provide a final report upon Project completion that evaluates the Project's success based on initial Project objectives and goals.

When to Apply:

Applicant must submit a complete and signed application with responses to all questions by the **application deadline date of July 16, 2007 by 4:00 p.m.**

Program Timeline:

April 30, 2007	Application Period Begins
May 9, 2007 10:00am – 12:00pm	Southern California Applicant Information Meeting South Coast Air Quality Management District's Office Auditorium 21865 Copley Drive, Diamond Bar, CA
May 24, 2007 1:00pm – 3:00pm	Northern California Applicant Information Meeting State Treasurer's Office 5th Floor Conference Room, Room 587 915 Capitol Mall, Sacramento, CA
July 16, 2007	Application Deadline
October 12, 2007	CPCFA Meeting Notice
October 23, 2007	CPCFA Approval for Funding

Where to Apply:

All applications should be submitted in five copies to:

California Pollution Control Financing Authority
Sustainable Communities Grant and Loan Program
915 Capital Mall, Room 457
Sacramento, CA 95814
Attn: Executive Director

Faxed applications will not be accepted.

Any questions regarding the Sustainable Communities Grant and Loan Program, please contact Sherri Wahl or Vicki Sawyer at (916) 654-5610.

A.   **Application Checklist**

You must submit five application packages. Each application must be double-sided and submitted in a side bound (ACCO-type) grey report cover [1]. Each application section must be separated by lettered tabs as identified below.

This checklist is provided to ensure that a completed Application package is filed with CPCFA and **must be submitted with each application**.

_____   Application Checklist   (Tab A)

_____   Application Coversheet   (Tab B)

_____   Project Description   (Tab C)

_____   Eligibility and Funding Priority Worksheet   (Tab D)

_____   Project Evaluation Information   (Tab E)

_____   Project Budget   (Tab F)

_____   Project Timeline   (Tab G)

_____   Resumes   (Tab H)

_____   Attachments (Surveys, maps, studies, reports, etc.)   (Tab I)

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[1] Acco Presstex Report Covers, Side Bound, in Grey. Available at most office supply stores.
www.officedepot.com, www.acco.com

B. **Application Cover Sheet**

Project Name: _____

Applicant Information:
Applicant Name(s): _____
Address: _____
City: _____ State: _____ ZIP:_____
Tel: (   )_____ Fax: (   )_____ E-mail:_____

Contact Person:
Last Name: _____ First Name:_____
Title:_____ Tel: (   )_____
E-mail:_____

Project Location:
City:_____ County: _____
Zip: _____ Project Area: _____
Note: Include Project site address(es), if applicable.

Funding Information:

Amount of Loan Requested: $_____
Amount of Grant Requested: $_____
Amount of Other Funds Available: $_____
Total Amount of Project: $_____

The CPCFA reserves the right to request additional information for its review.

The Applicant declares under the penalty of perjury that the information contained in the Application, exhibits, and attachments is true and correct to the best of its knowledge and belief. We understand that misrepresentation may result in the cancellation of the approved funding, and other actions, which CPCFA may take.

_____
Signature of Applicant's Senior Official

_____
Print Name

_____
Title   Date

C. Project Description

Describe the Project and its expected outcomes and benefits. Be as thorough as possible. Include cross-references to any supporting documentation, such as plans, pictures, drawings or other relevant information, included with the Application (Tab I).

D. Eligibility and Funding Priority Worksheet

Project Eligibility.

In order to qualify for the program a Project proposal must identify:

A.   That the Project will result in the development and implementation of policies, programs and projects that reduce pollution hazards and the degradation of the environment within existing neighborhoods/communities.

AND/OR

B.   The Project will assist one or more California neighborhoods that are Economically Distressed. Economically Distressed means:
- High unemployment levels,
- Low-income levels, and/or
- High poverty.

AND/OR

C.   That the Project will promote Infill Development.

Project Eligibility Category(ies): Please identify which eligibility category(ies) the Project meets and how the Project meets the applicable eligibility requirement(s) in A, B, and/or C above.

Funding Priority.

Lack of Resources -- Priority shall be given to applicants that lack resources to develop and implement sustainable development and other sound environmental policies, programs and projects. Lack of Resources means that Alternative Funding Sources are unavailable for all, or a portion, of the Project for which SCGL funds are being sought. In order to receive funding priority, Applicants must make a case as to the reason(s) that Alternative Funding Sources are unavailable [or are insufficient] for the Project.

1. **Alternative Funding Sources:** Describe any Alternative Funding Sources that may ordinarily be available for the Project and the actions have been taken to access such Alternative Funding Sources for the Project.

2. **Lack of Resources:** Describe why Alternative Funding Sources are unavailable or are insufficient for the Project.

E. **Project Evaluation Information**

Provide a description of the Project that contains the information presented below and include supporting documentation, maps, etc., as outlined in the Application Checklist.

1. Describe how the Project promotes one or more of the following Sustainable Development objectives (75 points):

    - Develops and implements policies, programs and projects that reduce pollution hazards and the degradation of the environment;
    - Promotes Infill Development;
    - Promotes economic development within communities/neighborhoods suffering from high unemployment levels, low-income levels and/or high poverty;
    - Promotes land use and policies, programs and projects that support alternative transportation options;
    - Ensures a proper mix of business and housing, including affordable housing, in communities and neighborhoods;
    - Balances job growth with new housing;
    - Encourages communities centered around civic spaces;
    - Ensures more efficient, well-planned higher density use of land; and
    - Protects environmental resources.

2. Describe how the Project promotes economic development within Economically Distressed communities (30 points).

    - Does the project create, or assist in creating employment for existing residents?
    - Does the project improve the infrastructure and or the quality of life of the community/neighborhood to enhance its economic competitiveness?
    - Does the project build on or establish relationships with local employment and training entities (e.g. One Stop Career Center, Pilot Regional Collaborative under the Regional Workforce Preparation and Economic Development Act, Workforce Investment Board, the Employment Development Department, and others) to link local job seekers with employment opportunities?

3. Describe how the Project incorporates creative approaches (15 points):

    - Does the Project provide a creative solution to an existing or a projected problem or demonstrate a new or innovative approach to planning and/or implementation?

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- Does the Project involve multiple jurisdictions (more than one county or city, or federal, state, regional, or local government)?
- Describe any other creative features of the expected outcome(s) of the Project.

4. Describe the likelihood that the Project's expected outcomes will be implemented including (15 points):

- Identify and discuss the financial feasibility, the practicality, the timing and the probability of implementing the Project's expected outcomes (e.g., the plan, idea or strategy being advanced by the Project).
- Identify community support for the Project's expected outcomes. This may include letters of support from community interests and co-sponsors, news articles, petitions or any other representative information that specifically reference community needs and the benefits of the Project and its expected outcomes.

5. Describe how the Project demonstrates applicability to other communities by identifying the applicability and transferability of the proposed Project elements to other communities (15 points).

F. Project Budget

Provide a detailed Project Budget that highlights eligible costs and indicates the total estimated Project cost, the amount(s) and source(s) of other funding available to ensure the Project is fully funded, and the amount of SCGL funds being requested.

The Project Budget should be presented substantially in the format provided below and submitted behind Tab F. Applicants may add additional cost categories to the table as long as they meet the definition of Eligible Costs.

Category	Description	Other Funding	SCGL Funding	Total
Project Expenditures				
Personnel[2]				
Contractual[3]				
Other Expenditures				
▪ Program Promotion				
▪ Supplies[4]				
▪ Travel (34 cents per mile)				
▪ Training and Conferences[5]				
▪ Telephone/Postage				
▪ Meetings[6]				
▪ Other Eligible Costs				
▪ Other Ineligible Costs Applicable to Other Alternative Funding Sources				
Total:				

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[2] Please calculate personnel time based on a hourly rate.

[3] Costs associated with communication to the public and press project activities and outcomes as described in the grant application (including marketing, printing, graphics, publications, etc.).

[4] Supplies must be directly related to the project as described in the application.

[5] Educational materials purchased or created to train and educate staff members or customers.

[6] Costs associated with convening a meeting as described in the application (including room rental, speaker fees and materials).

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G. Project Timeline

Provide a detailed Project Timeline for implementing and completing the proposed Project. The timeline should identify the activities, benchmarks, and products to be produced.

H. Resumes

Provide complete resumes of all staff and/or consultants who will be involved in implementing the Project described in the application.

I. Project Documentation

Provide all supporting Project documentation (maps, surveys, reports, etc.).